

*Kentucky Teachers' Retirement System*  
**DISABILITY RETIREMENT**  
**INFORMATION YOU SHOULD KNOW**

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### **EMPLOYMENT**

A disability retiree may not be employed in any position that requires the same duties or qualifications as a position under KTRS in any capacity in Kentucky or elsewhere. So doing shall constitute a misdemeanor and may result in loss of the disability allowance from the first date of this service. No person who is receiving disability benefits may be employed in a position that qualifies them for membership in a retirement system financed wholly or in part with public funds. You are required to notify the Retirement System if you engage in any gainful occupation. Your annuity will be reduced if your annual income from other employment combined with your KTRS retirement benefit totals more than \$41,280. If you are employed, a complete copy of your Federal Income Tax Return will be requested and must include all W-2's that were included with that return. (In other words, if you file jointly, you must include a copy of the other person's W-2's to prove that all income is not solely yours.) You will be required to repay KTRS if you receive in excess of the monetary limitation.

### **KTRS MEDICAL INSURANCE EFFECTIVE DATE**

Please note that your KTRS medical insurance will be effective the first day of the month during which your disability is finalized for payroll. This may not be the same date as the effective date of your retirement. In many cases the effective date of the disability retirement is retroactive due to the time needed for approval by the medical review committee. Health insurance coverage is not retroactive.

### **MEDICAL INSURANCE**

If you are under age 65 and not on Medicare A and B, KTRS offers health insurance through the State Group Health Insurance Program. KTRS disability retirees will receive a supplement toward the cost of their insurance based on years of service. If the cost of coverage is more than your supplement, this amount

will be deducted from your annuity or billed if necessary. Retirees are not eligible to participate in flexible spending.

For retirees and spouses age 65 and above and any others on Medicare B, KTRS will offer a Medicare Eligible Health Plan.

Spouse coverage is available. The full cost of this coverage is the retiree's responsibility and will be deducted from their annuity payment. If the member dies before going on disability retirement, the spouse may not be eligible for health insurance.

**Dependent Children:** Retirees and Spouses under 65 who are on the health insurance through the Department for Employee Insurance, will be able to include dependent children by choosing a family or parent plus coverage. The full cost for the dependent children will be the responsibility of the member. Retirees and Spouses 65 and over will not have insurance available for their dependent children through KTRS.

**TAXES:** Annuity payments are not subject to Kentucky income taxes through December 31, 1997. After that time you should consult the schedule of exemptions. Your disability annuity, however, will be subject to Federal income taxes.

**DEATH:** All retired members are covered by a \$5,000 Life Insurance Benefit. In addition, your dependents may be eligible to apply for survivor benefits. Upon recalculation at the expiration of the entitlement period, you must select an optional plan of payment if you wish to protect survivors after your death.

**VOLUNTARY REMOVAL:** You may elect to terminate disability retirement and apply for service retirement for personal reasons, but you will not be eligible to receive service credit for the period you were on disability entitlement.

**RETIREMENT FOR DISABILITY SHALL NOT BE CAUSE FOR TERMINATION:** If you are a teacher and recover from disability and present a supporting statement from a licensed physician and written notification to the school system within twenty-four calendar months (but not later than April 15 prior to the beginning of the next school term), the system will reinstate you to active continuing status at the beginning of the next school term. If you do not present written notice of recovery to the school system within the twenty-four months, or if you resign prior to the end of the twenty-four month period, the continuing contract shall terminate.

### **ELIGIBILITY**

A full-time member may apply for disability retirement only if they are in active contributing status, are vested, and have fewer than 27 years of service. Substitute and part-time members who are vested may be eligible to apply for disability retirement if they meet the qualifications set by the KTRS Board of Trustees.

### **ENTITLEMENT**

Members retired on disability shall earn one (1) year of disability entitlement service credit for each four (4) years of service in a covered position. Any member meeting the requirements for disability retirement shall be credited with no less than five years of eligibility except that under no circumstances shall this service be used to provide the member with more than twenty-seven (27) years of service. (Example: If a member has 24 years of service credit when they go on disability retirement, they will earn 3 years of disability entitlement service credit giving

them a total of 27 years of service at the time of recalculation of their disability benefit.) If you are disabled when your entitlement period expires, your disability entitlement service credit will be added to the years of service that you had when you went on disability retirement. Your benefits will then be recalculated using the service retirement formula using the average of your highest five earned salaries. PLEASE NOTE THAT THIS IS NOT A CONVERSION TO SERVICE RETIREMENT BUT WILL REMAIN DISABILITY RETIREMENT. After recalculation of the disability benefit, you will still be subject to medical reexaminations and reemployment restrictions.

### **BENEFIT PAYMENT**

The annual benefit for disability retirement during the entitlement period is 60% of your average high five salaries. (This amount is prorated if you are a reciprocity.)

### **RECIPROCITY**

KTRS members who have service credit in one of the other Kentucky Retirement Systems should contact the Kentucky Employees Retirement System (KERS) office to file for disability retirement benefits in that system in order to coordinate full reciprocity.

### **MEDICAL EXAMINATION**

You will be required to undergo periodic examinations to determine if your disability allowance should be continued. If, upon examination, this disability no longer exists, the Medical Review Committee will recommend that the allowance be discontinued.

**It is your responsibility to keep KTRS advised as to changes of address, status of dependents, employment situation, and condition of your health. If you have any questions concerning your status as a disability retiree, contact the Kentucky Teachers' Retirement System at the following number: 1-800-618-1687.**

*This pamphlet is intended for general informational purposes only. In the event of conflict between the provisions of this pamphlet and the relevant law, the latter will prevail. As the law is subject to change, you should contact KTRS prior to making important retirement decisions.*

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